

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 951

6 By: Murdock

7 COMMITTEE SUBSTITUTE

8 An Act relating to the Commissioners of the Land  
9 Office; amending 64 O.S. 2021, Section 1023, which  
10 relates to the granting of commercial and  
11 agricultural leases; providing for appraisal of  
12 certain improvements; directing certain lease to  
13 require certain reimbursement; providing condition  
14 for lease default; providing for promulgation of  
15 rules; updating statutory reference; updating  
16 statutory language; and providing an effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 64 O.S. 2021, Section 1023, is  
19 amended to read as follows:

20 Section 1023. A. The Commissioners of the Land Office are  
21 authorized to grant commercial leases and agricultural leases in  
22 trust property.

23 Commercial leases shall not exceed fifty-five (55) years. The  
24 granting of any commercial lease in excess of three (3) years shall  
be by public bidding at not less than fair market value. All  
commercial leases shall provide for fair market value throughout the  
term of the lease.

1 Agricultural leases of trust property shall be limited to a  
2 maximum of five (5) years and shall be by public bidding at not less  
3 than fair market value.

4 The granting of any interest in trust property at less than fair  
5 market value or not in compliance with this section is void.

6 Any permanent improvement made on commercial trust property from  
7 and after ~~the passage of this act~~ July 1, 1989, shall revert to the  
8 trust at the end of the lease.

9 B. In connection with any commercial and agricultural leases,  
10 the Commissioners of the Land Office shall, unless otherwise  
11 exempted by the Constitution or laws of ~~Oklahoma~~ this state:

12 1. Require payment of ad valorem property taxes on any  
13 improvements and structures on state school land, which would  
14 otherwise be subject to ad valorem property taxation if constructed  
15 on privately owned land; and

16 2. Indemnify and hold harmless the Commissioners of the Land  
17 Office from any financial obligation related to land, financing, or  
18 operation.

19 C. An appraiser selected by the Commissioners of the Land  
20 Office shall appraise any improvements approved by the Commissioners  
21 of the Land Office made to the property leased as an agricultural  
22 lease by the current lessee that cannot be removed without manifest  
23 injury to the land. When the Commissioners enter into a new lease  
24 for the property, the lease shall require the new lessee to

1 reimburse the previous lessee for the appraised value of any  
2 improvements made by the previous lessee by the date the new lessee  
3 is permitted to take occupancy of the property. It shall be  
4 considered a default of the lease of the property to the new lessee  
5 if such reimbursement is not made.

6 D. The Commissioners of the Land Office may refuse to accept  
7 any bid or lease on a commercial, agricultural, or mineral lease  
8 where the party is in default of any installment due or in violation  
9 of any provisions contained in a prior or current lease contract.

10 ~~D.~~ E. The Commissioners of the Land Office may refuse to accept  
11 any bid or lease contract where the interested party cannot show  
12 adequate creditworthiness as determined by the Land Office.

13 F. The Commissioners of the Land Office shall promulgate rules  
14 to implement the provisions of this section.

15 SECTION 2. This act shall become effective November 1, 2025.

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17 60-1-1811 EB 3/3/2025 9:48:02 AM

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